



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

April 11, 2007

John B. Poersch, Jr., Treasurer
Democratic Senatorial Campaign Committee
120 Maryland Avenue NE
Washington, DC 20002

Response Due Date:
May 11, 2007

Identification Number: C00042366

Reference: 30 Day Post-General Report (10/19/06-11/27/06)

Dear Mr. Poersch:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule A supporting Line 15 of your report discloses a payment(s) from Montanans For Tester for goods and/or services provided by your committee. 11 CFR §100.52(d)(1) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel, membership lists and mailing lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.52(d)(2)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided to the federal candidate committee(s) and explain the steps your committee took in determining the amount(s) charged. If your committee provided the goods and/or services at less than the usual and normal charge, the difference between the two is considered to be an in-kind contribution by your committee to the federal

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candidate committee(s) and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.52(d)(1))

-Schedule F of your report states that your committee has been designated to make coordinated expenditures by the "Democratic National Committee & see attached list." However, a list was not attached.

Please be advised that the coordinated expenditure schedule (Schedule F) should disclose the following information: the identification of the designating committee, the payee's name and address, the purpose of the expenditure, the identification of the candidate supported, the office sought, state and district (if applicable), the date and amount of the payment and the aggregate general election expenditure total for each candidate supported. Please amend Schedule F to disclose the name of each state party committee(s) which has authorized your committee to spend against their coordinated expenditure limit, per candidate, as appropriate. 2 U.S.C. §441a(d)

-Schedule F, supporting Line 25 of your report, discloses several coordinated expenditures on behalf of Amy Klobuchar and Jim Webb which appear to have been made after the general election date. Please be advised that if the service is provided in one reporting period and the payment is made in a later reporting period, the coordinated expenditure should be reported as a memo entry on Schedule F when the service is provided and on a Schedule D if it is a reportable debt under 11 CFR §104.11. When the payment for the coordinated expenditure is made, the report should show a payment on Schedule F and the same payment on Schedule D, if applicable. Please amend your report to provide further clarifying information regarding the coordinated expenditures disclosed after the general election date.

-Schedule A of your report discloses an aggregate year-to-date total for a contribution received from "Susan W Turnbull" which appears to be incorrect. Please amend your report to provide the correct aggregate year-to-date total.

-Schedule A supporting Line 12 of your report discloses a negative memo entry for what appears to be your committee's share of the gross contributions received through the House Senate Victory Fund. Please provide clarifying information regarding the nature of this negative memo entry.

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-Line 28(b) of the Detailed Summary Page of your report discloses a total of \$5,000 in refunds of contributions to political party committees; however your report does not provide a Schedule B to support Line 28(b). Furthermore, Schedule B, supporting Line 28(c) of the Detailed Summary Page discloses a \$5,000 refund of contributions to other political committees (such as PACs), but this amount is not reflected on Line 28(c) of the Detailed Summary Page. Please amend your report to clarify the discrepancy.

-Schedule E discloses independent expenditures on behalf of a federal candidate(s). Schedule F of this report discloses coordinated expenditures on behalf of the same candidate(s). Under 2 U.S.C. §431(17), an "independent expenditure" is defined as:

... an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate; and that is not made in concert or cooperation with or at the request or suggestion of such candidate, the candidate's authorized committee, or their agents, or a political party committee or its agents.

Further, 11 CFR §109.21 outlines the factors which define a coordinated communication. Please verify that the independent expenditures made by your Committee in support of Bob Menendez and Jim Webb meet the definition of and were properly categorized as independent expenditures. If necessary, amend your reports to disclose the aforementioned transactions as in-kind contributions (Schedule B supporting Line 23 of the Detailed Summary Page) or coordinated expenditures (Schedule F supporting Line 25 of the Detailed Summary Page).

If the reclassification of these expenditures as in-kind contributions results in excessive contributions, the Commission recommends that you notify the candidate(s) and request a refund of the amount in excess of \$37,300 per election. If the reclassification of these expenditures as coordinated expenditures results in your committee exceeding the limitations under 2 U.S.C. §441a(d), the Commission recommends that you notify the candidate(s) and request a refund of the amount in excess of the expenditure limitation.

Please inform the Commission of any corrective action immediately in writing and provide a photocopy of your refund request(s) sent to the candidate(s). In addition, any refunds should be disclosed on Schedule A

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DEMOCRATIC SENATORIAL CAMPAIGN COMMITTEE

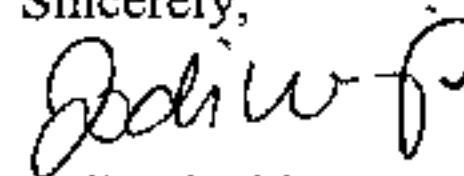
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supporting Line 16 of the report covering the period during which they are received.

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1136.

Sincerely,



Jodi Winship

Senior Campaign Finance Analyst
Reports Analysis Division

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